

# PATENT COOPERATION TREATY

## PCT

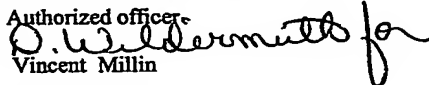
### INTERNATIONAL PRELIMINARY REPORT ON PATENTABILITY (Chapter II of the Patent Cooperation Treaty)

(PCT Article 36 and Rule 70)

REC'D 04 MAY 2006

WIPO

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Applicant's or agent's file reference 21736-0003	FOR FURTHER ACTION <span style="float: right;">See Form PCT/IPEA/416</span>																									
International application No. PCT/US04/37037	International filing date (day/month/year) 08 November 2004 (08.11.2004)	Priority date (day/month/year) 06 November 2003 (06.11.2003)																								
International Patent Classification (IPC) or national classification and IPC IPC: G06F 17/60 USPC: 705/37																										
Applicant EFFICIENT AUCTIONS LLC																										
<p>1. This report is the international preliminary examination report, established by this International Preliminary Examining Authority under Article 35 and transmitted to the applicant according to Article 36.</p> <p>2. This REPORT consists of a total of <u>3</u> sheets, including this cover sheet.</p> <p>3. This report is also accompanied by ANNEXES, comprising:</p> <p style="margin-left: 20px;">a. <input type="checkbox"/> (sent to the applicant and to the International Bureau) a total of ___ sheets, as follows:</p> <p style="margin-left: 40px;"><input type="checkbox"/> sheets of the description, claims and/or drawings which have been amended and are the basis of this report and/or sheets containing rectifications authorized by this Authority (see Rule 70.16 and Section 607 of the Administrative Instructions).</p> <p style="margin-left: 40px;"><input type="checkbox"/> sheets which supersede earlier sheets, but which this Authority considers contain an amendment that goes beyond the disclosure in the international application as filed, as indicated in item 4 of Box No. I and the Supplemental Box.</p> <p style="margin-left: 20px;">b. <input type="checkbox"/> (sent to the International Bureau only) a total of (indicate type and number of electronic carrier(s)) _____, containing a sequence listing and/or tables related thereto, in electronic form only, as indicated in the Supplemental Box Relating to Sequence Listing (see Section 802 of the Administrative Instructions).</p> <p>4. This report contains indications relating to the following items:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 10%;"><input checked="" type="checkbox"/></td> <td style="width: 20%;">Box No. I</td> <td>Basis of the report</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Box No. II</td> <td>Priority</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Box No. III</td> <td>Non-establishment of opinion with regard to novelty, inventive step and industrial applicability</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Box No. IV</td> <td>Lack of unity of invention</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Box No. V</td> <td>Reasoned statement under Article 35(2) with regard to novelty, inventive step or industrial applicability; citations and explanations supporting such statement</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Box No. VI</td> <td>Certain documents cited</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Box No. VII</td> <td>Certain defects in the international application</td> </tr> <tr> <td><input type="checkbox"/></td> <td><del>Box No. VIII</del></td> <td>Certain <u>observations</u> on the international application</td> </tr> </table>			<input checked="" type="checkbox"/>	Box No. I	Basis of the report	<input type="checkbox"/>	Box No. II	Priority	<input type="checkbox"/>	Box No. III	Non-establishment of opinion with regard to novelty, inventive step and industrial applicability	<input type="checkbox"/>	Box No. IV	Lack of unity of invention	<input checked="" type="checkbox"/>	Box No. V	Reasoned statement under Article 35(2) with regard to novelty, inventive step or industrial applicability; citations and explanations supporting such statement	<input type="checkbox"/>	Box No. VI	Certain documents cited	<input type="checkbox"/>	Box No. VII	Certain defects in the international application	<input type="checkbox"/>	<del>Box No. VIII</del>	Certain <u>observations</u> on the international application
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Name and mailing address of the IPEA/ US Mail Stop PCT, Attn: IPEA/US Commissioner for Patents P.O. Box 1450 Alexandria, Virginia 22313-1450 Facsimile No. (571) 273-3201	Authorized officer  Vincent Millin Telephone No. (571) 272-5250																									

# INTERNATIONAL PRELIMINARY REPORT ON PATENTABILITY

International application No.

PCT/US04/37037

## Box No. I Basis of the report

1. With regard to the language, this report is based on:

- ☐ the international application in the language in which it was filed.
- ☐ a translation of the international application into \_\_\_\_\_, which is the language of a translation furnished for the purposes of:
- ☐ international search (under Rules 12.3 and 23.1(b))
- ☐ publication of the international application (under Rule 12.4(a))
- ☐ international preliminary examination (under Rules 55.2(a) and/or 55.3(a))

2. With regard to the elements of the international application, this report is based on *(replacement sheets which have been furnished to the receiving Office in response to an invitation under Article 14 are referred to in this report as "originally filed" and are not annexed to this report)*:

- ☐ the international application as originally filed/furnished
- ☒ the description:  
 pages 1-65 as originally filed/furnished  
 pages\* \_\_\_\_\_ received by this Authority on \_\_\_\_\_  
 pages\* \_\_\_\_\_ received by this Authority on \_\_\_\_\_
- ☒ the claims:  
 pages 67-74 as originally filed/furnished  
 pages\* \_\_\_\_\_ as amended (together with any statement) under Article 19  
 pages\* \_\_\_\_\_ received by this Authority on \_\_\_\_\_  
 pages\* \_\_\_\_\_ received by this Authority on \_\_\_\_\_
- ☒ the drawings:  
 pages 1-23 as originally filed/furnished  
 pages\* \_\_\_\_\_ received by this Authority on \_\_\_\_\_  
 pages\* \_\_\_\_\_ received by this Authority on \_\_\_\_\_
- ☐ a sequence listing and/or any related table(s) - see Supplemental Box Relating to Sequence Listing.

3. ☐ The amendments have resulted in the cancellation of:

- ☐ the description, pages \_\_\_\_\_
- ☐ the claims, Nos. \_\_\_\_\_
- ☐ the drawings, sheets/figs \_\_\_\_\_
- ☐ the sequence listing (*specify*): \_\_\_\_\_
- ☐ any table(s) related to the sequence listing (*specify*): \_\_\_\_\_

4. ☐ This report has been established as if (some of) the amendments annexed to this report and listed below had not been made, since they have been considered to go beyond the disclosure as filed, as indicated in the Supplemental Box (Rule 70.2(c)).

- ☐ the description, pages \_\_\_\_\_
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- ☐ any table(s) related to the sequence listing (*specify*): \_\_\_\_\_

\* If item 4 applies, some or all of those sheets may be marked "superseded."

**Box No. V Reasoned statement under Article 35(2) with regard to novelty, inventive step or industrial applicability; citations and explanations supporting such statement****1. Statement**

Novelty (N)	Claims <u>NONE</u>	YES
	Claims <u>1-74</u>	NO
Inventive Step (IS)	Claims <u>NONE</u>	YES
	Claims <u>1-74</u>	NO
Industrial Applicability (IA)	Claims <u>1-74</u>	YES
	Claims <u>NONE</u>	NO

**2. Citations and Explanations (Rule 70.7)**

Claims 1-74 lack novelty under PCT Article 33(2) as being obvious over Sandholm in view of Fisher et al.

Re claims 1-5 and 12-74, Sandholm teaches a computer implemented method for at least one computer receives bids and determines an allocation of at least one of the items, the auction including a dynamic auction phase following by a later phase, the later phase comprising a package auction (figs.1-2), the method comprising:

d) implementing the dynamic auction phase on a computer, said dynamic auction phase comprising:

a1) receiving bids from at least one bidder, said bids including at least an indicator of at least one of the items (col. 5, lines 18-56);

a2) determining whether the dynamic auction phase of the auction should continue (col. 13, lines 22-45);

a3) outputting auction information (fig. 5); and

a4) repeating a1)-a3) if the dynamic auction phase of the auction is determined to continue (fig. 7);

e) changing from the dynamic auction phase to the later phase, following a determination not to continue the dynamic auction phase (col. 9, line 45 to col. 10, line 67); and

f) implementing the later phase of the auction on a computer, the later phase comprising a package auction, said later phase (figs 6 and 8) comprising:

c3) receiving bids from at least one bidder, said bids including at least an indicator of a package of items and an associated price for the package (col. 4, lines 36-65); and

c4) determining an allocation of at least one of the items to one of the bidders based on received bids (col. 7, lines 1-49). However, Sandholm does not explicitly teach conducting an auction of a plurality of items. On the other hand, Fisher discloses conducting an auction of a plurality of items (col. 4, lines 46-67; col. 6, lines 31-57; figs. 10 and 12). He discloses conducting a multi-person, interactive auction wherein the system allows a group of bidders to interactively place bids over a computer or communications network. Thus, it would have been obvious to one of ordinary skill in the art to accepting payment from sending party to an intended receiving party over a network via electronic communication as discloses in Fisher.

Re claims 6-11, Fisher teaches bids are constrained by a revealed-preference activity rule in the dynamic auction phase (col. 11, lines 21-45; fig. 11).

# PATENT COOPERATION TREATY

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### INTERNATIONAL PRELIMINARY REPORT ON PATENTABILITY (Chapter II of the Patent Cooperation Treaty)

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REC'D 04 MAY 2006

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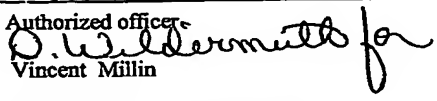
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Applicant's or agent's file reference 21736-0003	<b>FOR FURTHER ACTION</b>	See Form PCT/IPEA/416
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|-------------------------------------|--------------|---|
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Date of submission of the demand 06 September 2005 (06.09.2005)	Date of completion of this report 03 April 2006 (03.04.2006)
Name and mailing address of the IPEA/ US Mail Stop PCT, Attn: IPEA/US Commissioner for Patents P.O. Box 1450 Alexandria, Virginia 22313-1450 Facsimile No. (571) 273-3201	Authorized officer  Vincent Millin Telephone No. (571) 272-5250

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# INTERNATIONAL PRELIMINARY REPORT ON PATENTABILITY

International application No.  
PCT/US04/37037

## Box No. V Reasoned statement under Article 35(2) with regard to novelty, inventive step or industrial applicability; citations and explanations supporting such statement

### 1. Statement

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	Claims <u>1-74</u>	NO
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